

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Garrett A. Fail

Attorneys for Lehman Brothers Holdings Inc.
and Certain of Its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
LEHMAN BROTHERS HOLDINGS INC., et al.,	: Case No. 08-13555 (SCC)
Debtors.	: (Jointly Administered)
-----X	

**DECLARATION OF RICHARD KATZ IN SUPPORT OF THE
MOTION OF PLAN ADMINISTRATOR PURSUANT TO SECTIONS 8.4, 9.3,
AND 14.1 OF THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN
OF LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS
TO ESTIMATE CLAIMS FOR RESERVE AND DISTRIBUTION PURPOSES**

Richard Katz, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am over the age of 18 years and make these statements of my own personal knowledge, following my review of the business records of Lehman Brothers Holdings Inc. (“LBHI”), my consultation with employees and advisors of LBHI and its affiliates, and/or my review of public reports issued by the joint administrators of Lehman Brothers International (Europe) (“LBIE”). If called to testify, I could testify to the truth of the factual matters set forth herein.

2. I submit this Declaration in support of the *Motion of the Plan Administrator Pursuant to Sections 8.4, 9.3, and 14.1 of the Modified Third Amended Joint*

*Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors to Estimate Claims for Reserve and Distribution Purposes (the “Estimation Motion”).*¹

3. I am currently an employee of LBHI and have been working for LBHI full-time, as either a consultant or employee, since May 2012. I reside in New York, New York.

4. From August 1988 through January 2007, I was employed by Goldman, Sachs & Co. (“GS”) in various capacities and with various titles. My last position at GS was as managing director responsible for a multi-billion dollar investment portfolio of distressed debt securities, equities, options and derivatives. This role involved significant expertise in the trading and fundamental valuation of assets in the distressed debt markets. I held that position for the four years prior to my departure from GS. Since joining LBHI in May 2012, I have assisted the Chapter 11 Estates in various activities including, by way of example, (a) the valuation, liquidation and/or restructuring of a multi-billion dollar portfolio of corporate loans and securities and residential mortgage loans and securities, (b) unwinding the Chapter 11 Estates’ claims against other Lehman entities (such as Lehman Brothers Inc.), and (c) valuing and negotiating certain derivatives-related claims.

5. Because I work in the distressed sector and for the Chapter 11 Estates, which have relationships with large financial institutions, I regularly receive from such financial institutions market quotations of the trading prices for various bankruptcy claims and distressed securities that are not traded on a public exchange. These market quotations are provided to me, and distributed to numerous other traders, investors, and professionals, by individuals working at the distressed trading desks of large financial institutions, such as Goldman Sachs and Bank of America Merrill Lynch. The market quotations are regularly distributed (*i.e.*, on a daily or

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Estimation Motion.

weekly basis) via electronic mail or through Bloomberg Professional, a subscription-based financial services software platform. Among the market quotations that I receive are bid and ask prices for certain types of unsecured claims against LBIE.

6. Consistent with the foregoing, from June 1, 2015 to June 8, 2015, multiple financial institutions distributed to me, as well as to many other traders, investors, and professionals, market quotations of the trading prices for certain unsecured claims against LBIE. Such claims carry the right to future distributions from LBIE and the market quotations were, therefore, incremental to (and net of) amounts that had already been distributed by LBIE on account of such claims. Although the market quotations were dependent on a number of factors, such as the currency of the underlying derivatives or non-derivatives contract upon which the claims are based, the lowest bid price I received in the period noted above was 37 percent of the allowed amount of the applicable unsecured claims. I received other bid prices in the period noted above in amounts as high as 44 percent of the allowed amounts of the applicable unsecured claims against LBIE. The foregoing prices were net of the past distributions by LBIE that paid the principal amount of such allowed claims in full.

7. I believe the market quotations for the foregoing bid prices to be reliable because (a) the market quotations were provided by individuals who I believe to be reliable and whose activities are regulated, (b) such individuals work for reputable financial institutions with strong competitive and economic incentives to provide accurate information, (c) the market quotations are regularly relied upon by persons and entities that engage in trading activities, and (d) the market quotations restate objective facts (*i.e.*, bid and ask prices). These are the customary types of inputs used by distressed debt analysts and traders to determine prevailing market prices for these types of traded claims.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 10, 2015, in New York, New York.

/s/ Richard Katz

Richard Katz